

Message Text

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ACTION ARA-20

INFO OCT-01 ADP-00 AID-20 PC-04 CIAE-00 COME-00 EB-11

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 8232

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E.O. 11652: N/A

TAGS: PN, ELAB

SUBJECT: CONSTRUCTION WORKERS STRIKE HITS PANAMA CITY

SUMMARY: A CONTINUING DISPUTE BETWEEN THE WORKERS AND MANAGEMENT OF THREE PANAMANIAN FIRMS HAS NOW LED TO A SYMPATHY SHUT-DOWN OF THE ENTIRE CONSTRUCTION INDUSTRY IN THE PANAMA CITY AREA. THE CHAMBER (OF COMMERCE) FOR CONSTRUCTION HAS CARRIED THE DISPUTE TO THE GOVERNMENT AND HOPES TO HAVE THE STRIKE DECLARED ILLEGAL AND ENDED THIS WEEK. END SUMMARY.

1. A DISPUTE WHICH SEEMS TO HAVE BEGUN OVER GOVERNMENT-REQUIRED CHECK-OFFS FROM THE SALARIES OF THE WORKERS OF THREE LOCAL FIRMS (CONSTRUCTORA SANTSO, SA; CONSTRUCTORA AISA DG, SA; AND CONSTRUCTORA BELLO HORIZONTE, SA RESULTED IN WALKOUTS LAST WEEK BY THE WORKERS AT TWO LOW-COST HOUSING PROJECTS (AID FUNDING IS NOT INVOLVED IN EITHER). THE WORKERS CHARGED THE COMPANIES WITH VARIOUS MALPRACTICES, INCLUDING NOT CREDITING THEM WITH THE PROPER AMOUNT OF SALMARY CHECK-OFFS AS REQUIRED BY LAW (WHICH AMOUNT TO SOME 20 PERCENT OF SALARY AND GO INTO SCIOAL SECURITY, ACCIDENT INSURANCE, AND EDUCATION FUNDS. THE COMPANIES WERE SAID TO HAVE PROMISED TO BRING PRACTICES UP TO THE STARDARDS REQUIRED

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BY LAW BUT APPARENTLY DID NOT CARRY OUT THEIR PROMISES.

2. LAST WEEK, AFTER THE WALKOUT, THE PANAMANIAN CHAMBER (OF COMMERCE) FOR CONSTRUCTION PLACED SEVERAL ANNOUNCEMENTS IN THE NEWSPAPERS, ALLEGING THE STRKES WERE ILLEGAL FOR NOT OBSERVING THE COMPLICATED REQUIREMENTS OF THE NEW LABOR CODE. (COOLING-OFF PROCEDURES REQUIRE THE FORMAL PRESENTATION OF A LIST OF GRIEVANCES REGISTERED WITH THE MINISTRY OF LABOR, FOLLOWED BY ANNOUNCEMENTS IN THE NEWSPATERS PLUS AN ADDITIONAL WAITING PERIOD BEFORE A STRIKE HAS LEGAL SANCTION.)

3. APPARENTLY THE CONSTRUCTION WORKERS' UNION, THE SINDICATO UNICO NACIONAL DE TRABAJADORES DE LA CONSTRUCCION Y SIMILARES DE PANAMA (STCSP), WHICH IS CLOSELY ASSOCIATED WITH THE COMMUNIST-LED NATIONAL LABOR ORGANIZATION, THE CENTRAL NACIONAL DE TRABAJADORES PANAMENOS (CNTP), HAS TAKEN THIS OPPORTUNITY TO RAISE THE ISSUE OF GENERAL SALARY INCREASES. THE INDUSTRY, REPORTEDLY, IS WATCHING THE GOVERNMENT VERY CLOSELY AS TO A GENERAL POLICY LINE ON WAGES AN HAS NO INTENTION OF NEGOTIATING THE SALARY ISSUE AT THIS TIME. WITH THE OUTBREAK OF SYMPATHY STRIKES MONDAY MORNING, AUGUST 13, BY WORKERS AT SOME 80 CONSTRUCTION SITES THROUGHOUT THE CAPITAL AREA, THE CHAMBER HAS APPEALED TO THE MINISTRY OF LABOR TO DELCARE THE WALKOUTS ILLEGAL. THE CHAMBER (AND APPARENTLY THE UNION) IS EXPECTING A DECISION AS EARLY AS THURSDAY AUGUST 16.
THOMPSON

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